

THE STATE ELECTRICITY OMBUDSMAN

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APPEAL PETITION NO. P/107/2015

(Present: V.V. Sathyarajan)

Dated: 11th September 2015

Appellant : Fr. Thomas Vaikathuparambil
Director
Lisie Hospital
Ernakulam

Respondent : 1. The Deputy Chief Engineer,
Electrical Circle, KSEB Ltd.,
Ernakulam

2. The Special Officer (Revenue)
Vydhuthibhavanam, KSEB Ltd,
Pattom, Thiruvananthapuram.

ORDER

Background of the case:

The appellant is the Director of Lisie Hospital, Ernakulam and a consumer having a high tension electric connection with consumer code 9/837 under Electrical Section, Kaloor. The original contract demand of the HT connection of the appellant is 750 KVA. The appellant had applied for enhancement of additional load of 750 KVA on 04-12-2012 along with application fee and advance amount. The work was proposed to be executed by the appellant under the supervision of KSEB. The respondent had directed the appellant to remit Rs. 55,531/- towards supervision charges for the works and the appellant remitted the amount on 27-03-2013. Meanwhile, the appellant had furnished an undertaking as directed by the respondent. On 29-05-2014, the respondents issued a demand notice to the appellant for Rs. 20,25,000/- towards the unconnected minimum charges for the period from 27-07-13 to 31-03-14 which was remitted by the appellant on 31-05-2014. Aggrieved by this, the appellant approached the CGRF praying to set aside the UCM charges and to refund the amount. The Forum, in its order dated 27-03-2015 in Petition No. CGRF-CR/Comp.139/2014-15/12, dismissed the petition as it is found devoid of any merit. Aggrieved against the said order, this appeal petition is filed.

Arguments of the appellant

The appellant's case is as under:

1. Appellant is the Director of Lisie Hospital, PB No - 3053, Kochi-682018, a reputed hospital in Ernakulam. It is having a High Tension electric Connection with Consumer Code 9/837 under Electrical Section Office, Kerala State Electricity Board, Kaloor. As on 12/2012, the, original contract demand of the above HT connection was 750KVA. Since that load was insufficient for the operation of the hospital, the appellant submitted an application dated 04-12-2012 before the Assistant Engineer, Electrical Section, Kaloor, Ernakulum seeking feasibility of providing additional power allocation of another 750 KVA. Application fee of Rs. 10/- and Advance Amount of Rs. 20,000/- were remitted on the same date.
2. The KSEB Limited conducted feasibility study regarding the additional power allocation of 750KVA to the complainant. The Deputy Chief Engineer, Electrical Circle, Ernakulam issued letter No AF/1 /Addl. Power/Lisie/2012-13/1781 dated 26-03-2013 to the appellant informing that the KSEBL will be able to provide additional power to an extent of 750 KVA for the existing connection, as requested by the complainant. As per the above letter, on preliminary inspection, the following works have to be executed for providing the additional power.
 - a. Installing I No CTC type RMU
 - b. Laying 30 meters of 3X300 sq mm 11KV XLPE UG cable
 - c. Installation up to the metering point.
 - d. The estimated cost of the work: is Rs. 8,30,845/-(Rupees Eight lakhs thirty thousand eight hundred and forty five only).
3. As per Regulation 8(9) of the Electricity supply code, where the applicant does not require the licensee to provide electric line or electric point, but choose to provide them himself, he shall pay 10% of the expenses as supervision charges to the licensee for providing such services and get the work executed by a licensed wiring contractor. The licensee shall supervise the work of the applicant and provide guidance in technical matters relating to safety. The appellant decided to do the work by himself and hence the Deputy Chief Engineer in his above-mentioned letter dated 26-03-2013 requested the appellant to remit Rs. 55,531/- towards supervision charges for the works at Electrical section, Kaloor within fifteen days of the intimation failing which the application will be cancelled. Even though there is no law which enables the Deputy Chief Engineer to prescribe such a time limit threatening cancellation of application, the appellant remitted Rs. 55,531/- on 27-03-2013 towards supervision charges.

4. However, in his letter dated 26-03-2013, the Deputy Chief Engineer has added clauses as if the work was done by the KSEB totally ignoring the fact that the appellant has agreed to do the work himself. Regulation 10 of the Electricity Supply Code 2005 reads as follows:

"(1) Where the Licensee has completed the work required for providing supply of electricity to an applicant but the installation of the applicant is not ready to receive the supply, the licensee shall serve a notice on the applicant to take supply within sixty days of service of the notice in the case of LT consumers and 90 days in the case of HT and EHT consumers.

(2) If after service of notice the applicant fails to take supply of electricity the licensee may charge fixed/minimum charges as per the tariff in force for completed months after expiry of notice till the applicant avail supply"

The above law is applicable only in a case where the Licensee (KSEB) has done the work required for providing the supply and though above provision is not applicable in a case of the present nature where the consumer has executed the work. In order to make illegal enrichment for the KSEBoard, the Deputy Chief Engineer has misinterpreted the above provision of law in the following manner in his letter dated 26-03-2013 "Since you have agreed to carry out the work for availing the additional power and have submitted the undertaking for the same, you may carry out the work within the stipulated time period and additional power shall be availed within 4 months from the date of receipt of this letter, failing which fixed/minimum charges are liable to pay. Service connection application has to be preferred in the prescribed service connection application form along with the fees and charges as per approved rates, after completing your installation. If you do not avail the additional power within the time frame as mentioned above, the fixed/minimum charges as per clause 10 of Supply Code 2005 has to be paid".

The Deputy Chief Engineer does not have only legal authority to make any stipulation to a consumer unless and until the legal provisions permit him to do so. He is not having any authority under law to impose the above conditions on the ignorant consumer in a despotic manner by misinterpreting law and compelling the consumer to agree to such illegal terms by executing an undertaking. Such an undertaking has no validity in the eye of law. The Kerala State Electricity Board cannot make illegal enrichment by acting against what is provided under law. Regulation 10 is completely misinterpreted by the Deputy Chief Engineer in a manner favourable to the KSEBoard. Without stopping there, the KSEB and its Engineers further compelled the appellant to execute an illegal undertaking before applying for sanction for providing materials and/or

labour required for constructing lines and plants. Accordingly the appellant was compelled to execute such an undertaking containing the following clause " I/we shall complete the work in my /our scope within the time period stipulated in Kerala Electricity Supply Code 2005 and shall pay minimum charges to the Board, if I am unable to avail supply due to delay on my/our part."

The KSEB may answer the following questions before this authority.

Whether the KSEB has completed the work required for providing supply of electricity to the appellant?

Whether after completing the work by themselves, the KSEB has issued 90 days notice to the appellant to take supply?

Whether the appellant has failed to take supply of electricity after service of such notice?

The facts of the case make it crystal clear that the answer to the above queries can be only a no from the part of the KSEB and hence the KSEB cannot collect any Unconnected Minimum charges from the complainant.

5. But the Assistant Engineer, Electrical Section office , KSEB, Kaloor has issued a letter No DB/UCM/LISSIE/2014-15/17/29-05-2014 to the appellant informing that the additional load of 750KVA shall be availed within 4 months from the date of letter of Deputy Chief Engineer (26-03-2013) and since the appellant has not availed the same and application for the service connection submitted only on 16-04-2014, the appellant is liable to remit fixed/minimum charges with effect from 27-07-2013 to 31-03-2014 as given below.

9 months x 75% of requested contract demand in KVA X Rs. 400/KVA = Rs. 20,25,000/- (Rupees Twenty Lakhs and Twenty Five Thousand Only). The calculation was adopted in a totally illegal manner. The calculation ought to have been done by taking into consideration the entire load because the unconnected minimum was charged based on the assumption that the delay in taking connection of 750 KVA by the appellant has resulted in loss to the KSEB. Therefore the calculation ought to have been 9 months X 75% of the total load of 1500 KVA X Rs. 400/KVA minus the fixed charges already remitted by the consumer in the above 9 months.

6. The ignorant appellant who was in dire need of additional power allocation submitted letter dated 31-05-2014 agreeing to remit the demanded amount of Rs. Twenty lakhs Twenty five thousand under protest and availed the additional power allocation

7. We are living in a country where rule of law prevails. This is a case where the Deputy Chief Engineer and Assistant Engineer of Kerala State Electricity Board have misinterpreted statutory provisions and illegally collected Rs. 20,25,000/- from a charitable Hospital in the name of Unconnected minimum charges and that is liable to be refunded to the appellant. A complaint was preferred before the CGRF seeking refund of the above illegal collection of unconnected fixed charges.

The Consumer Grievance Redressal Forum (CGRF) of the KSE Board has decided the case in a totally one sided manner without considering the case of the appellant. The undertaking executed by the appellant under threatening/compelling circumstances was made use of by the CGRF to decide the case in favour of Kerala State Electricity Board. The CGRF ought to have found that the Electricity Supply Code does not fix any time limit for completing the work by the consumer and that the time limit is fixed only to control lethargy on the part of licensee when work is done by them. The Forum ought to have found that the fixation of 4 months time limit by the Deputy Chief Engineer was without authority of law and is violative of the provisions of law.

8. The CGRF ought to have found that the appellant was constrained to execute the undertaking under threat and coercion from the KSEB as a condition for providing materials required for constructing lines and plants. The CGRF went wrong in finding that the time frame for the work stipulated by the Supply Code rests with the party who actually execute the work. The Supply Code fixed the time limit if only in order to prevent delay on the part of the licensees to provide supply to the consumers and that time limit cannot be stretched under any stage of imagination to the present case where the consumer executed the work.
9. The CGRF ought to have found that the KSEB failed to comply with the mandatory requirements under Regulation 10 of the Supply Code by not giving notice to the appellant as provided under law. The finding of the Forum that the notice under the said provision is not relevant in this case appears to be strange.
10. The CGRF has in fact endorsed the stand that the mighty KSEB can do all illegalities to a consumer and make illegal enrichment out of it, if the consumer was constrained / forced to execute an illegal agreement with the KSEB. The CGRF ought to have found that the application for power requirement was submitted by the appellant on 04-12-2012 and the application for service connection was submitted on 16-04-2014. The issue has to be decided with reference to the date of application for service connection.

11. The CGRF ought to have found that the appellant submitted letter dated 25-07-2013 before the Deputy Chief Engineer seeking extension of time for submitting application for service connection for the reason that the appellant could not obtain building number, Fire approval and energisation sanction and that the Deputy Chief Engineer rejected that request as per his letter dated 20-08-2013.
12. The CGRF ought to have found that the application for service connection was submitted by the appellant on 16-04-2014 when the new Supply Code 2014 was in force and that the said Code does not prescribe collection of Unconnected minimum from consumer.
13. The CGRF ought to have found that the contention raised by the KSE Board was that the four months time frame was fixed by them in exercise of the mandate under Regulation 8(2) of the Electricity Supply Code and that the Board has narrated about their capability of completing the work within that time if they were entrusted with the work. It is respectfully submitted that Regulation 8 of the Supply Code is applicable only in cases where the applicant is waiting for supply of electricity after submitting application as provided under Regulation 5 of the Supply Code which definitely includes agreement, completion report etc. That clause has no application to the facts of this case. Here the consumer undertakes to do the work without submitting service connection application and agreement. The CGRF ought to have found that the KSEB was mixing things to make the situation in their favour. Moreover the service connection application was submitted by the appellant only on 16-04-2014 and that the Completion report was issued by the Assistant Executive Engineer on 23-04-2014.
14. The CGRF ought to have found that the contention raised by the KSEB regarding reservation of additional power for the Complainant is meaningless because electricity cannot be stored and this is more so in view of Regulations 58 and 59 of the Electricity Supply Code 2014 which says that even if there is delay on the part of consumer after completion of work by the KSE Board, no action can be taken by the KSE Board against the consumer apart from treating his application as withdrawn. Therefore the contention raised by the KSEB such as reservation of power for the appellant is legally unsustainable. The KSEB is legally bound to explain as to what is the loss caused to the KSEBL due to the delay on the part of the consumer in executing the work and availing connection. Absolutely no financial loss was caused to the KSEB on account of the delay on the part of the appellant to execute the work and avail the connection. This is nothing but day light robbery by the KSEB Limited.

Nature of relief sought for

To call for the records relating to Order No CGRF-CR/Comp.139/2014-15/12 dated 27-03-2015 issued by the Consumer Grievance Redressal Forum of the Kerala State Electricity Board Limited Central Region, Power House Building , Ernakulum and to set aside the same and direct the Kerala State Electricity Board to refund the amount of Rs. 20,25,000/- (Rupees Twenty Lakh and Twenty Five thousand Only) collected towards unconnected minimum/fixed charges received as per receipt No 583926 dated 31-05-2014 issued by the Electrical section office , Kaloor to the appellant and allow this Petition.

Arguments of the respondent

The Appellant is an existing HT consumer under Electrical Section, Kaloor with HT Con code 9/837. An application for additional power requirement of 750 kVA from the Director, Lisie Hospital, Ernakulam was received at Section office on 04-12-12 along with AF and advance. The work was proposed to be executed by the applicant under the supervision of Board. This was as per Supply Code 2005, Reg 8 (9), which reads "Where the applicant does not require the licensee to provide electric line or electric plant, but choose to provide them himself, he shall pay 10% of the expenses as supervision charges to the licensee for providing such services and get the work executed by a licensed contractor. The licensee shall supervise the work of the applicant and provide guidance in technical matters and matters relating to safety".

The applicant had furnished an undertaking for providing material and or labour required for constructing lines and plants in which he had agreed to complete the work within the time period stipulated in Kerala Electricity Supply Code 2005 and to pay minimum charges to the Board if unable to avail supply due to delay on their part. After rectification of defects, the estimate was sanctioned on 22-03-13 and demand letter for supervision charges was issued vide this office letter Dt. 26-03-13. In the said demand letter, in addition to the details of work to be executed by the party, all other relevant details such as supervision charges to be remitted by consumer, time limit for completion of work, consequence of non completion of work in time, i.e., UCM will be charged, the relevant regulations and rules pertaining to the same etc. were clearly mentioned. The work involved was only erection of RMU and laying 30 Metre. HT cable and this time period was enough for executing the work.

In this case, the appellant opted to execute the work and licensee (the Board) has no work to do and was ready for providing the additional power from the date on which Administrative sanction was accorded and demand was issued, i.e. on 26.3.13, but the applicant was not ready to receive the power. Since Board had no work, separate notice was not issued and in the demand

letter itself, the appellant was directed to avail the supply within 4 months from the date of receipt of the letter failing which fixed/ minimum charges are liable to pay. In the instant case, all the works were in appellant's premise and the appellant had undertaken to execute the work under Board's supervision. KSEB had not compelled any appellant to agree to illegal terms, instead the appellant had furnished the undertaking and this undertaking was framed as per the Board Order. If the appellant had any objection in furnishing such undertaking, he could have pointed out the same at the very moment itself. Instead of doing so, he is raising objections only when the demand of UCM was issued. The appellant's argument that notice as per Regulation 10 can be issued only in cases where KSEB undertakes to execute the work is legally false and wrong. Whenever consumer approaches for power, estimate is prepared for extending that portion of the network which is required for making available power in the premise of the consumer. It is only the will and option of the consumer to undertake such works on behalf of KSEB. A time of 90 days in case of HT consumer and 60 days in case of LT consumer is allowed for the consumer to complete his internal network and get ready for availing the power. The spirit of a demand under Regulation 10 for the delay beyond the stipulated time mentioned therein is not for any work carried out therein by licensee, but for the quantum of power that is being reserved for the consumer for which the licensee is entitled to recover the due minimum/fixed charges. The regulation is to curb inordinate delay in executing the work so that allocated power can be utilized timely. It is the social obligation of the Board to grant power to the needy people in appropriate time. Hence the UCM demand is fully legal and consumer is bound to remit the same. When consumer undertakes to do the work, then KSEB is ready from the first date of the sanction for giving power to the consumer. So the statutory time allowed under Regulation 10 has to be kept by the consumer even for the works executed by the consumer.

The Board was ready for providing the additional power from the date on which Administrative sanction was accorded and demand was issued. i.e. on 26-03-13. Since Board had no work, separate notice was not issued and in the demand letter itself, the applicant was directed to avail the supply within 4 months from the date of receipt of the letter failing which fixed/minimum charges are liable to pay. The Consumer furnished the completion report only on 16-04-14 only.

The spirit of a demand under Regulation 10 for the delay beyond the stipulated time mentioned therein is not for any work carried out therein by licensee, but for the quantum of power that is being reserved for the consumer for which the licensee is entitled to recover the due minimum/fixed charges. Had the applicant availed the additional power within the prescribed time period, KSE Board would have been benefited by the current charges remitted by the consumer. The appellant is bound to remit monthly demand charges corresponding to the actual maximum demand or 75% of the Contract Demand

whichever is higher. Hence monthly demand charges corresponding to 75% of the Contract Demand is the minimum guaranteed revenue to KSE Board. KSEB is issuing additional power specifically for the appellant and the appellant is liable to remit the fixed/minimum charges, if the appellant does not avail the supply within the time period stipulated. KSEB can not suffer revenue loss due to delay from the part of the applicant.

The appellant is the Director of a hospital and nobody believes that he is an ignorant person. In his letter dated 31-05-14, it is mentioned that the delay was due to delay in getting building number and fire sanction. KSEB can not suffer revenue loss due to delay from the part of the applicant or other agencies. It is also submitted that the appellant in his above letter, clearly stated that they could not submit the application for additional load within the stipulated time. Here the appellant himself agrees that the additional load is not urgently required. The appellant executed revised agreement on 10-07-2014 and contract demand was enhanced with effect from 19-07-2014. It may be noted that the party remitted the UCM charge on 31-05-14 and approached the CGRF only in December 2014, as a result of rethinking on a later stage

The UCM demand is as per regulation 10(2) of the Kerala Electricity Supply Code, 2005. The Kerala Electricity Supply Code 2005 was formed as specified under Electricity Act 2003. The demand for unconnected minimum charges is as per provisions of Supply Code, 2005 and hence legal and the applicant are bound to obey the same. The UCM is demanded as per the then prevailing rules and the argument that the 'same is not available in Supply Code 2014 is not a valid reason for a period for which Supply Code 2005 was in force which entitles the licensee for the same. The appellant had not challenged the condition for charging UCM at the time of receiving the letter and without availing the power as agreed; now challenging UCM demand cannot be admitted. The time limit stipulated in Regulation 8 of Supply Code 2005 rests on the party who execute the work, whether the licensee or the party. The time frame was stipulated by the Commission as per Regulation 8 (2)(c) of the Supply Code 2005 and not by the Board. This time frame is applicable to the licensee/party who is executing the work. Has the applicant requested the Board to carry out the work and remit the entire cost of estimate, the Board would have completed the work within this time frame stipulated as per the Supply code 2005.

All arguments of the appellant are not sustainable. The Hon'ble CGRF has analyzed the matter in detail and pronounced such an order. The Hon'ble Regulatory commission has prescribed time limits for completion of work and the Supply Code entitled the utility to levy minimum charges where consumer does not avail supply after the stipulated time. Hence the request of the Appellant to refund the UCM charges cannot be considered.

Analysis and findings

A hearing of the Case was conducted in my chamber at Edappally, Ernakulam, on 13-07-2015. The Counsel of the appellant, Sri Jose J. Matheikal, and Fr. Thomas Vaikathuparambil were present for the appellant's side and Smt. R. Rajshree, Executive Engineer, Electrical Circle, Ernakulam represented the respondent's side. Both sides have presented their arguments on the lines as stated above.

The brief facts and circumstances of the case that led to filing of the petition before this Authority are narrated above. On examining the petition of the appellant, the statement of facts filed by the respondent, the arguments in the hearing and considering all the facts and circumstances of the case, this Authority comes to the following findings and conclusions leading to the decisions.

The dispute is regarding the collection of unconnected minimum charges amounting to Rs. 20,25,000/- by the respondent from the appellant for the delay in availing the service connection of additional contract demand of 750 KVA.

In the appeal petition and the argument note submitted by the appellant, he has relied the Clause 10 (1) of the Supply Code 2005 which reads:

"(1) Where the Licensee has completed the work required for providing supply of electricity to an applicant but the installation of the applicant is not ready to receive the supply, the licensee shall serve a notice on the applicant to take supply within sixty days of service of the notice in the case of LT consumers and 90 days in the case of HT and EHT consumers.

(2) If after service of notice the applicant fails to take supply of electricity the licensee may charge fixed/minimum charges as per the tariff in force for completed months after expiry of notice till the applicant avail supply"

According to the appellant no such notice was issued by the respondent. As per the above provision, had a notice was issued after the date of completion of the work, the appellant would have the benefit of 90 days time and the respondent may charge fixed/minimum charges as per the tariff in force for completed months after expiry of notice till the appellant avail supply. In this case a question to be answered is whether any provision in the Act or Supply Code allows the Licensee to charge fixed/ minimum charge from the consumer after the four months of the administrative sanction accorded by the Board to carry out the work?

As per the provisions of Electricity Act, 2003, and Regulations made thereunder the licensee can realise only the following charges.

- a. Fixed charges in addition to the charge for actual electricity supply.
- b. A rent or other charges in respect of any electric meter or electrical plant provided by the distribution licensees.

As per Section 45 of Electricity Act, 2003 deals with power to recover charges by the distribution licensee for supply of electricity. As per Section 46 of Electricity Act, any expenses reasonably incurred in providing any electric line or electrical plant used for giving the supply. Section 47 of Electricity Act stipulates the power to require security. According to this Section distribution licensee is empowered to recover security deposit as determined by Regulations. There is no provision in any of the Regulations or in any order issued by the KSERC enabling the respondent to collect UCM charges. Further the respondent has not submitted any orders issued by KSERC in order to substantiate their claim.

In this case the works have been done by the appellant himself under the supervision of KSEB. But the respondent argues that the licensee (the Board) has no work to do and was ready for providing the additional power from the date on which Administrative sanction was accorded and demand was issued, i.e. on 26-03-13, but the applicant was not ready to receive the power. Since Board had no work, separate notice was not issued and in the demand letter itself, the appellant was directed to avail the supply within 4 months from the date of receipt of the letter failing which fixed/ minimum charges are liable to pay.

Under Regulation 8(2) of the Electricity Supply Code the four months time frame is fixed and that for completing the work entrusted with the Board. The appellant submits that Regulation 8 of the Supply Code is applicable only in cases where the applicant is waiting for supply of electricity after submitting application as provided under Regulation 5 of the Supply Code which definitely includes agreement, completion report etc. That clause has no application to the facts of this case. Here the consumer undertakes to do the work without submitting service connection application and agreement.

The respondent has also submitted that the spirit of a demand under Regulation 10 for the delay beyond the stipulated time mentioned therein is not for any work carried out therein by licensee, but for the quantum of power that is being reserved for the consumer for which the licensee is entitled to recover the due minimum/fixed charges. The appellant is bound to remit monthly demand charges corresponding to the actual maximum demand or 75% of the Contract Demand whichever is higher. Hence monthly demand charges corresponding to 75% of the Contract Demand is the minimum guaranteed

revenue to KSE Board. Here, the respondent failed to furnish any capacity idling or any electrical plant erected exclusively for the use of appellant consequent to the additional power allocation. Hence the argument of the respondent that the power reserved for the appellant for which the licensee has charged the minimum / fixed charges cannot be accepted.

The Kerala State Electricity Regulatory Commission, in its letter No. 151/Com.Ex/2015/KSERC/758 dated 09-06-2015, has issued some clarifications regarding the collection of Unconnected Minimum Charges (UCM) by KSEB Ltd. It reads *“Neither the Electricity Act, 2003 nor the Kerala Supply Code, 2014 provide for MG scheme or for collection of UCM charges. Section 46 of the Act authorizes the licensee to realize reasonable expenditure incurred by it in providing any electric line or electric plant for the purpose of giving supply to a consumer. The Commission has approved the cost data for recovery of reasonable expenditure by the licensee. Therefore there is no legal sanctity to continue with the erstwhile MG scheme which was introduced prior to the enactment of Electricity Act, 2003 and for the collection of UCM charges in the absence of an agreement to the contrary. When MG scheme was in vogue, UCM charges could be collected by the licensee only as per the terms of the MG agreement. If there is no such agreement, UCM charges cannot be collected, even when such scheme was in vogue”*.

The appellant's argument that the service connection agreement was executed by him only after the coming into force of Electricity Supply Code 2014 which has banned the collection of UCM. According to the appellant, the undertaking executed by him has no legal validity because that was a totally one sided agreement prepared by the KSE Board and compelled to be executed by the appellant and therefore it is prima facie illegal. The said undertaking is not in terms of clauses 8 and 10 of the Supply Code and is not legally sustainable. Further, Unconnected Minimum charges originally introduced for consumers those who were executed Minimum Guarantee Agreement as per KSEBoard Conditions of Supply of Electrical Energy 1990. The intention of Minimum Guarantee is to ensure that the required minimum revenue return is forthcoming and will be charged only until the line extension becomes self remunerative as per norms fixed by the licensee (Board) from time to time. In the case of MG consumers, all the works are carried out by Board and the consumer has to furnish only Minimum Guarantee Agreement. After completing all the works required for the consumer and the consumers who are not ready with their installation to avail of supply will have to pay the UCM charges. At present there is no Minimum Guarantee agreement and the applicants requiring supply have to remit the required fees, charges and security and satisfying the conditions stipulated in the approved Terms and Conditions of Supply of the Licensee. In the present case, all the works were carried out by the appellant at his cost and the licensee has not spent any amount. Hence, there is no rational in charging UCM and is not supported by any Law or Regulations or orders issued by KSERC or by Terms and Conditions

of any agreement. In the above circumstances it is found that there is no ground for charging an amount of Rs. 20,25,000/- towards unconnected minimum charge from the appellant even without issuing notice as per Regulation 10(1 & 2). Hence the amount remitted by the appellant has to be refunded.

Decision

In view of the above discussions it is found that there is no ground for collecting an amount of Rs. 20,25,000/- towards the UCM charges from the appellant. Since the appellant had already remitted the amount, the respondent is directed to refund the amount with interest at any rate within a period of 30 days from the date of receipt of this order. Having concluded and decided as above it is ordered accordingly. The appeal petition filed by the appellant is admitted. The Order issued by CGRF, Central Region, Ernakulam, in compliant No. CGRF-CR/Comp.139/2014-15/12 dated: 27-03-2015 is set aside. No order as to costs.

ELECTRICITY OMBUDSMAN

P/107/2015/ _____ /Dated: _____

Delivered to:

1. Fr. Thomas Vaikathuparambil, Director, Lisie Hospital, Ernakulam.
2. The Deputy Chief Engineer, Electrical Circle, KSEB Ltd., Ernakulam.
3. The Special Officer (Revenue), Vydhyuthibhavanam, Kerala State Electricity Board Ltd, Pattom, Thiruvananthapuram.

Copy to:

1. The Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, Vellayambalam, CV Raman Pillai Road, Thiruvananthapuram-10.
2. The Secretary, KSE Board Ltd, Vydhyuthibhavanam, Pattom, Thiruvananthapuram-4.
3. The Chairperson, Consumer Grievance Redressal Forum, Power House, Power House Buildings, Cemeterymukku, Ernakulam-682 018.